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1 October

Chief, St/I (Attn: [REDACTED])  
THRU : Chief, D/S  
Acting Chief, S/CST

### Construction Branch Requirements for East Germany

#### A. Definition and Background

The Construction Branch is responsible for producing all source economic intelligence on the construction of fixed installations and the production of construction materials in the Sino-Soviet Bloc. The scope of this responsibility generally includes construction organizations, costs, methods, capabilities, design and standards, and the production and distribution of construction materials. The capacity of the East German construction industry has in the past been limited by shortages of labor and construction materials. Measures are proposed in the Second Five Year Plan to increase the capacity for cement production and to achieve greater standardization and industrialization of construction using prefabricated elements. Progress in these programs is of particular significance in appraising the capabilities of the construction industry. The Branch has a strong interest in exports of cement, cement factory installations, and construction equipment, since the magnitude of such exports may largely determine the ability of the construction industry to meet plan goals.

#### B. Requirements

##### 1. Organization of the construction industry:

###### a. Distribution of construction responsibility between the Ministry of Construction, other government ministries, and the Bezirke councils:

- 1) Types of construction for which each ministry is responsible
- 2) Coordination of construction plans of various ministries and the Bezirke councils
- 3) Role of the Ministry of Construction in coordinating construction activity on projects involving more than one ministry

###### b. Name and functions of all centrally directed nationalized construction enterprises (VEB Bau Unionen) subordinate to

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- 1) The Ministry of Construction
- 2) The Ministry of Interior
- 3) Other government ministries

c. Role of the Bezirke and Kreis Bau Unionen in the construction industry:

- 1) Responsibilities and functions
- 2) Relationship to the Ministry of Construction and/or other ministries

d. Role of the private construction industry:

- 1) Proportion of total construction performed by the private sector
- 2) Comparative quality of construction by the socialized and private sectors

2. Volume of Construction:

a. Overall construction output and output by economic sector

b. Distribution of capital investment among the economic sectors

c. Share of construction in capital investments:

- 1) For the entire economy
- 2) In heavy industry
- 3) In electric power
- 4) In dams and hydraulic installations
- 5) In transport
- 6) In housing, social, and cultural construction

d. Military construction:

- 1) Magnitude of expenditures for military construction
- 2) The extent, if any, to which expenditures for military construction are reflected in announced figures for construction investment

3. Construction labor force:

- a. Size of the construction labor force
- b. Proportions of production workers and administrative employees in the construction industry
- c. Changes in labor productivity in the construction industry
- d. Wages and salaries, working conditions, and labor stability in the construction industry
- e. Extent to which voluntary labor and convict labor is used
- f. Prices of construction materials, for domestic use and for export

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4. Construction materials:

- a. Output of construction materials, particularly cement, brick, and prefabricated construction elements
- b. Net exports (or imports) of cement, and destination or source of shipments
- c. Evidence of construction of new plants for production of building materials, with proposed capacity
- d. Exports of complete cement factory installations, and the effect on East Germany's ability to expand its cement production capacity
- e. Agency or agencies responsible for determining priorities and allocating construction materials

5. Advances in technology:

- a. Increases in inventory of construction equipment
- b. Extent of mechanization of construction work
- c. Progress in standardization of construction
- d. Progress in developing industrialized construction methods using prefabricated elements
- e. Extent to which exports of construction equipment limit the program of industrialization of construction
- f. Changes in construction costs, both overall costs and costs for particular types of construction

C. Reporting:

a. Documentary material is particularly desirable, since it provides the most comprehensive information on construction output, organization, labor force, and technology.

b. Photographs of construction in progress are helpful, particularly photographs of projects being constructed by industrialized methods.

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